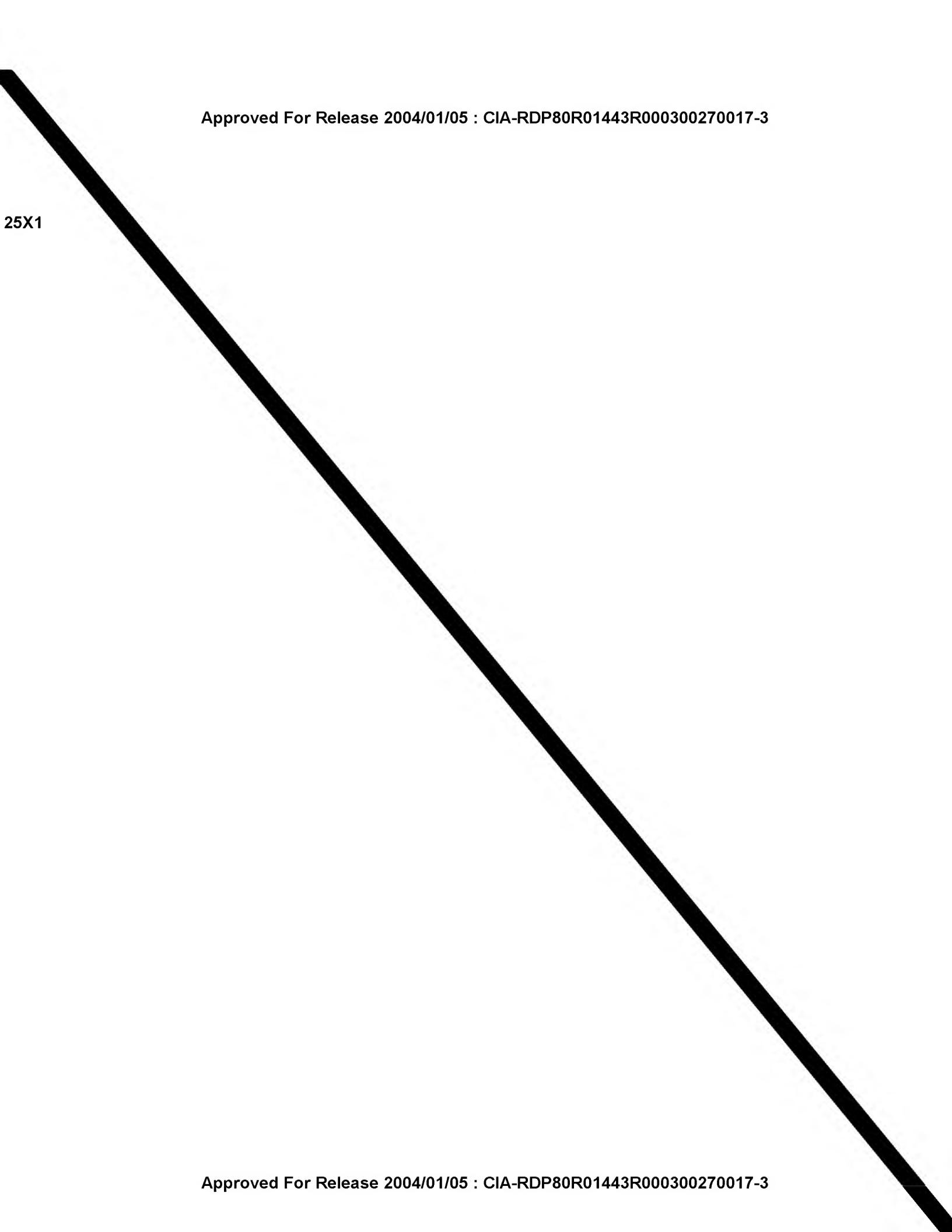


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2 March 1955

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MIDDLE EAST DEVELOPMENTS

- I. Turks and Iraqis have agreed (pact signed 24 Feb. ratified by both parliaments 26 Feb.) "to co-operate for their security and defense." UK and US have both encouraged pact as first step in improved Middle East defense scheme.
 - A. Egypt, Saudi Arabia both strongly hostile. Leaders believe new pact means loss personal and national prestige, decline in Egyptian, Saudi bargaining position with West.
 1. Prince Faisal (Saudi premier) has told Ambassador Wadsworth that US encouragement of pact set back Arab-American relations 30 years (Saudis may try ~~advance cancellation attempts~~ to cancel Dhahran base agreement--due renewal June 1956).
 - B. Israelis, looking to future, fear pact will mean more arms both for Iraq and for other Arab states which may join.
 1. Spokesman stated: "...Treaty liable encourage Arab belligerent tendencies (toward) Israel."
 2. Israelis also angered by joint Turk-Iraqi letter supporting UN Palestine resolutions (which whittle down Israeli territory, internationalize Jerusalem).
 3. Actually, pact could be step toward ultimate settlement in Palestine.

State Department review completed

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- a. Egyptian and Saudi opposition may bring collapse of Arab League (undyingly hostile to Israel).
- b. Eventual involvement in broad planning for Middle East defense could reduce Arab preoccupation with Israel, thus easing tension.

II. For present, however, rest of Arab world upset by pact.

A. Jordan resentful, feeling "left out" of planning.

25X1 B. Lebanon on fence, waiting to see what other Arabs may do.

C. Most critically of all, pact controversy has acted as catalyst in already troubled Syria, where creeping deterioration over past year has divided nation into two mutually suspicious factions, each with its military supporters and with its foreign intriguers.

III. Syria is ripe for militarist coup. Issues are twofold: will Syria be leftist - neutralist, or conservative and pro-Western? On Middle East defense, will Syria stand with Iraq or Egypt?

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A. New Syrian government (under Prime Minister Asali--13 Feb)

has domestic support of leftists and larger part of Syrian army, foreign support from Egypt, Saudis and French. Asali's regime fears that its conservative domestic foes may see time ripe for coup, even intend to bring about union with Iraq.

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B. Syrian conservatives (led by aged President Atasi) also

have some army support, look abroad to Iraq, Britain and US. They fear that Asali's neutralist regime is playing directly into hands of local Communists, USSR.

1. They suspect that Syrian chief of staff Shuqayr is planning to seize power.
2. Claim Shuqayr would have help of French, who are anxious to preserve "special" economic and cultural position in country, strongly oppose Syrian alignment with Iraq. No proof of this either.

C. Situation likely to worsen as both factions ready selves for August parliamentary Donnybrook on selection next Syrian president.

1. Asali's foreign minister--opportunistic, pro-French Khalid al Azm--wishes to become president. He supported by army's Shuqayr.
 2. Azm collaborated with extreme Arab Socialist Resurrectionist Party (led by Akram Hawrani) and Communists (led by Khalid Bakdash) in 54 elections.)
 3. Syrian conservatives--now led by octogenarian President Atasi--have no candidate at present.
- D. Prospect for immediate future--Syria will sit indecisively in dead center of explosive situation.
1. Military coup has ample historic precedent, seems increasingly possible.
 2. However, cannot tell which of two factions may be first to move.

ISRAELI - EGYPTIAN

Additional up-to-date notes:

- (1) General Burns, Chief UN Truce Supervisor in the area, has appeared in the GAZA area to conduct personal investigation.
- (2) Egyptian officials have told American Embassy personnel that the violent eruption in the GAZA strip yesterday resulted from Communist agitation "no doubt". The UN Security Council plans in an urgent meeting tomorrow afternoon (Friday) to take up ~~a~~ session the Egyptian complaint against Israel.
- (3) Last reports from GAZA indicate that ~~the~~ 250,000 Arabs refugees continue restless and may continue to riot!